

KOVACK SECURITIES, INC.
(a wholly owned subsidiary of Kovack Financial LLC)

SCHEDULE I

**COMPUTATION AND RECONCILIATION OF NET CAPITAL
UNDER RULE 15c3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2015**

NET CAPITAL COMPUTATION:

Total stockholder's equity qualified for net capital	\$ 2,812,747
Add:	
Allowable subordinated liabilities	_____ -
Total capital and allowable subordinated liabilities	2,812,747
Deducts and or charges:	
Total non-allowable assets	<u>(1,108,668)</u>
Net capital before haircuts	1,704,079
Haircuts on securities:	
Other securities	<u>(4,723)</u>
Net capital	<u>\$ 1,699,356</u>
Aggregated indebtedness:	
Commissions payable	\$ 1,512,906
Accounts payable and other liabilities	<u>669,664</u>
	<u>\$ 2,182,550</u>
Ratio of aggregated indebtedness to net capital	<u>1.28 to 1</u>

RECONCILIATION:

Net capital, per page 3 of the December 31, 2015 un-audited Focus Report, as originally filed	\$ 1,699,356
Net audit adjustments	_____ -
Net capital, per December 31, 2015 audited report, as filed	<u>\$ 1,699,356</u>